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Chairman: Mr. Yousfi ..... (Algeria)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Saha

Contents

Agenda item 125: United Nations common system (*continued*)

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The meeting was called to order at 10.10 a.m.

Agenda item 125: United Nations common system (*continued*) (A/60/723; A/61/30, A/61/381 and A/61/484)

1. **Ms. Lock** (South Africa), speaking on behalf of the Group of 77 and China, underscored the pivotal role played by the International Civil Service Commission (ICSC) in advising Member States on ways and means of providing the Organization's staff, its most valuable asset, with the best possible conditions of service. She welcomed the improvements made to the report of the Commission (A/61/30), including the very useful inclusion of a summary of previous recommendations made to the General Assembly. Further deliberations were required on pay and benefits to enable the Committee to take decisions. Modernization and simplification of the system of allowances in the name of greater efficiency must be undertaken in a transparent and equitable manner.

2. Turning to other issues raised by the Commission, she stressed the importance of the education grant, and welcomed the Commission's recommendation for an increase in the level of the grant. The Group of 77 and China was also willing to consider the proposed adjustment to the salary scale. As for conditions of service, in particular for Field Service staff, the subject must be considered in the context of human resources management reform, with a view to ensuring that United Nations staff enjoyed the best possible working conditions. Finally, she expressed great concern at the lack of progress towards achieving gender balance in the Organization, especially at senior levels. The Group of 77 and China supported the recommendations of the Commission aimed at improving the representation of women, in particular women from developing countries.

3. **Ms. Soni** (Canada), speaking also on behalf of Australia and New Zealand, underscored the important role of the International Civil Service Commission and the direct connection between its work and the effective functioning of the organizations of the common system. While appreciating the review by the Commission of each benefit and allowance, she wondered how that process contributed to a modern, competitive and streamlined compensation package. Although the United States federal civil service served as a comparator for salaries, there was no comparator for benefits. There was therefore a risk of a cherry-picking approach in which the most attractive model for each benefit was selected; the issue warranted further exploration.

4. She welcomed the decision of the Commission to establish the Working Group on Entitlements of Internationally Recruited Staff Serving in Non-Family Duty Stations and to maintain, as an interim measure, current contractual arrangements in peacekeeping; a common system approach to that issue was overdue. It would be especially important for the Working Group to design a transparent and easily administered compensation package, which was supposed to have been the case for the 300-series appointments used extensively for peacekeeping. The Commission's work in that regard would be an integral part of the General Assembly's efforts to reform human resources management.

5. She expressed disappointment at the insufficient progress in increasing the representation of women in the Professional and higher categories. The Commission and the United Nations System Chief Executives Board for Coordination (CEB) should continue to review the situation and make practical recommendations to the General Assembly. Finally, the Fifth Committee should consider the recommendations of the Panel on the Strengthening of the International Civil Service relating to qualifications, tenure and the selection process for ICSC in the context of human resources management reform. The Group of 77 and China had made substantive recommendations in that regard at the two previous sessions of the General Assembly and looked forward to finalizing discussions on the matter.

6. **Mr. Shen** Yanjie (China) welcomed the decision by the International Civil Service Commission to establish a working group on the need to harmonize entitlements and benefits across the common system. The working group should take into account such factors as the budgetary implications of reforms, cost-effectiveness, overall continuity and compatibility of reform measures, the legitimate interests of staff members, transparent and fair implementation, and effective judicial relief mechanisms to safeguard the rights and interests of staff. The Commission should also undertake a comprehensive review of the impact on the common system of such proposals as the streamlining of contracts, the establishment of a

standing professional peacekeeping force and staff mobility schemes.

7. With regard to the proposal to create three types of contracts, temporary, fixed-term and continuing, contractual reform must be aimed at improving performance, maintaining the dynamics of the workforce and meeting the operational needs of the Organization. Renewal of continuing appointments must be performance-based in order to prevent them from becoming de facto permanent contracts. The practice of automatic conversion to continuing appointments after a single appraisal was tantamount to re-introducing permanent appointments; continuing appointments should only be granted pursuant to a transparent procedure based on regularly mandated performance reviews and clear criteria.

8. Decisions on membership in the Senior Management Network were currently the prerogative of chief executives. In order to avoid subjectivity in the selection process, membership decisions should be based on clearly defined criteria and the principles of geographical and gender balance. Managerial tools must be developed to support system-wide leadership capacity-building, although those efforts should be carried out within existing resources.

9. The International Civil Service Commission, as an independent expert organ of the General Assembly, played a pivotal role in regulating conditions of service across the common system. As the Organization worked to improve its human resources management system, the Commission should continue to strengthen the common system by reinforcing its communication and coordination with the chief executives of all member agencies.

10. **Mr. Torrington** (Guyana), speaking on behalf of the Rio Group, said that the principles of the international civil service provided a framework that ensured its integrity. He reaffirmed the importance of the common system and the need to preserve the independence and expertise of the International Civil Service Commission in regulating conditions of service in the common system.

11. Turning to the report of the Commission (A/61/30), he welcomed the inclusion of a summary of the Commission's recommendations for 2005-2006; similar summaries should be provided in future reports. The Rio Group would engage constructively with regard to proposals relating to the system of allowances, and he stressed the need to follow up on the issues of contractual arrangements and harmonization of conditions of service in the context of the reform of human resources management and to include the Commission and staff representatives in related discussions.

12. The methodology for determining education grants should be reviewed in order to ensure fair treatment for all staff members. He expressed support for reaffirmation of the Noblemaire principle by the General Assembly as a factor in ensuring that the Organization attracted outstanding staff.

13. **Mr. Muhith** (Bangladesh) said that his delegation stressed the importance of the common system and the ICSC mandate to regulate and coordinate conditions of service while maintaining high standards in the international civil service.

14. He welcomed the progress made with the pilot study of broad banding/pay-for-performance — it was important to strengthen performance-based human resources management. The Commission was right to point to career management as a key to staff acceptance of the project. The participation of more organizations was welcome, but the criteria set for the study by ICSC must be adhered to. The annual updates should indicate whether the goals were being achieved and the impact of the new human resources structures on those goals.

15. The margin had been below the desirable midpoint over the past few years but had increased by 2.9 per cent since 2005 to 114; it must be remembered that the midpoint was desirable rather than mandatory. The matter should be discussed further once the findings of the grade equivalency studies were available.

16. Bangladesh welcomed the ICSC recommendations on hazard pay and commended the commitment of staff working in dangerous locations. He shared the Commission's disappointment at the progress made with regard to the representation of women in the common system. The establishment of focal points for gender issues was an example which all the organizations should follow. While the ICSC recommendations were welcome, an element of managerial accountability for the achievement of gender goals should be introduced.

17. His delegation understood the reasons for the proposed review of dependants' allowances, but the establishment of a better methodology would require comprehensive examination of the issue. The proposals to increase the base/floor salary scale on a no-loss/no-gain basis and to introduce new mobility and hardship arrangements deserved serious consideration. There was a need for reform of the Field Service category: the ICSC recommendations had merit, and the issue should be addressed in the context of reform of the human resources management system.

18. **Mr. Bandar** (Iraq) said that the very important recommendations made by the Commission required consistent follow-up after careful analysis of the issues in question. It was vital to improve gender balance in the common system, especially by recruiting women from underrepresented developing countries, subject to compliance with established criteria.

19. **Mr. Kovalenko** (Russian Federation) said that the new arrangements for the mobility and hardship allowance should be introduced from 1 January 2007, but the desirability of conducting the first review in 2008 should be examined in informal consultations. His delegation took note of the Commission's comments on the United Nations/United States net remuneration margin and its decision to withdraw its earlier recommendation that separate approaches should be maintained for the United Nations and for its funds and programmes with respect to staff serving at non-family duty stations. Further information on the reason for the change of position would be welcome.

20. Before the General Assembly took a decision on the introduction of a new salary system the Commission must demonstrate clearly that the system would improve the performance of the Secretariat and would be more effective than the existing arrangements. Further information would again be welcome.

21. The Commission should certainly continue to monitor the evolution of the Senior Management Network and alert Member States to any possibility of the creation of a separate category of personnel or a closed club of senior managers with special rights.

22. His delegation reaffirmed its belief that the Commission should be strengthened as the central system-wide organ for the regulation of salaries and conditions of service and it would be guided by that belief during the Committee's consideration of the recommendations of the Panel on the Strengthening of the International Civil Service, as well as by the belief that Member States should have a key role in the appointment of the members of the Commission and that the tripartite consultation process should be retained. It could not understand the connection made by some delegations between agreement in the Committee on the Panel's recommendations and the adoption of a resolution on the overall system of salaries and allowances. That approach had prevented the conclusion of the Committee's discussion of the matter at the sixtieth session; there must be no repetition of such a situation.

23. **Ms. Udo** (Nigeria) said that the statement by the representative of the Federation of International Civil Servants' Associations was useful, for it was important for the Committee to hear the views of the staff; a statement by the Coordinating Committee for International Staff Unions and Associations of the United Nations System would have been welcome.

24. Her delegation would like to know whether any of the larger organizations, in particular the United Nations Secretariat, had volunteered to participate in the pilot study on broad banding/pay-for-performance, and would welcome further information about the job-differentiation process. Given the topicality of the issue, the Commission might provide a further update on the status of the review of contractual arrangements for staff serving in the field. Nigeria echoed the concern expressed by the Commission on the slowness of progress towards the attainment of gender balance, especially with regard to the recruitment of women from African and other developing countries.

25. **Mr. Bel Hadj Amor** (Chairman of the International Civil Service Commission) said that all the matters raised in the Committee would be given serious consideration by ICSC, which was aware of its key role in the reform of the United Nations system, in particular where human resources management was concerned. The Committee had a difficult task in taking decisions on the many issues falling under the agenda item but would surely complete that task successfully.

The meeting rose at 11 a.m.